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WORLD AGRICULTURAL Situation

Special Supplement on the World Grain Situation

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World Grain Situation

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The forecasts or estimates for 1972/73 in this report should be used with great care. Because the 1972/73 year has only begun, the estimates must be very tentative and should be regarded more as working benchmarks to help keep the world situation in perspective as conditions change and as the season progresses.

Unless stated otherwise, split years mean July-June, tons are metric, rice is on a milled basis, dollars are U.S., and exports are in terms of volume.

SUMMARY

The world grain and rice situation for 1972/73 is being influenced strongly by the Soviet Union's short wheat crop and its massive grain purchases with prospects of a resulting sharp decline in world wheat stocks by the end of the year. Other influential factors are an unusual concentration of wheat stocks in North America, unusually low rice supplies in Asia, and uncertainty about the adequacy of the grain crops in India and the People's Republic of China during the rest of the year. These developments have significantly increased grain prices.

World grain production declined, in both importing and exporting countries, by around 42 million tons in 1972 but at 1.06 billion tons was the second largest on record. This reduced crop coincided, however, with relatively large total grain stocks of 132 million tons on July 1, 1972, in the four major exporting countries (United States, Canada, Argentina, and Australia).

World trade for wheat and feed grains is expected to total 119 million metric tons in 1972/73, up 19 million from 1971/72. Most of the increase comes from USSR grain purchases. World exports of wheat are likely to rise from 52 million tons of 1971/72 to 67 million tons, while exports of feed grains may increase from 48 to 52 million tons. Rice exports for calendar 1973 may be about the same as in 1972.

Expected exports plus domestic utilization will reduce combined wheat and feed grain stocks in the United States, Canada, Argentina, and Australia from 132 million tons last July 1 to around 117 million by next summer. The drawdown will be in wheat stocks since feed grain stocks may change little. Rice stocks are expected to be down.

Unfavorable weather was primarily responsible for an estimated 25 percent drop (about 20 million tons) in the Soviet wheat crop this year and resulted in reduced quality of grain. Much of the low-quality wheat is fed to livestock. The Soviet feed grain crop is currently estimated at slightly larger than last year's crop. The Soviets have negotiated large wheat and corn purchases, apparently to offset crop losses and to mitigate the dampening effect on livestock product goals.

Estimated USSR grain purchases of 27 million tons so far in 1972/73 are roughly 19 million tons of wheat and 8 million tons of feed grains. About 5 million tons of these purchases are probably destined to meet commitments to supply grain to other countries, such as Cuba and those in Eastern Europe. About two-thirds of the Soviet grain purchases have been from the United States. Canada is the second ranking grain supplier but large quantities will also come from Australia, France, West Germany, Romania, and Sweden.

A long delay in the monsoon in India has reduced India's 1972 fall grain crops. India expects to depend largely on stocks and careful management of supplies to offset this production shortfall. At this time India is not expected to import as much as last year's relatively low levels. A sharper decline in production, however, could increase imports above current expectations.

The People's Republic of China appears to be harvesting a grain crop about as large as last year. Quantities and timing of wheat purchases so far have been about normal. However, the first sale in many years of U.S. wheat, 0.4 million tons, to China has been arranged.

Asia has a shortage of exportable rice supplies. Heavy rains in the Philippines and military disruptions in Bangladesh, South Vietnam, and the Khmer Republic (Cambodia) have increased immediate import needs. The Asian rice crop, usually harvested as late as December in several countries, is not expected to be much larger than last year. Supplies for immediate shipment are especially short.

World grain prices are substantially stronger than a year earlier and may remain so until larger supplies begin to develop.

Current world prices can be expected to induce higher production levels in a number of exporting countries in 1973. Much depends upon weather and crop conditions. Normal crop conditions, the inducements for larger plantings, and heavier applications of fertilizers could permit a substantial rebuilding of stocks in 1973/74. If the 1973 crop conditions are below normal, however, a relatively strong market could continue for another season.

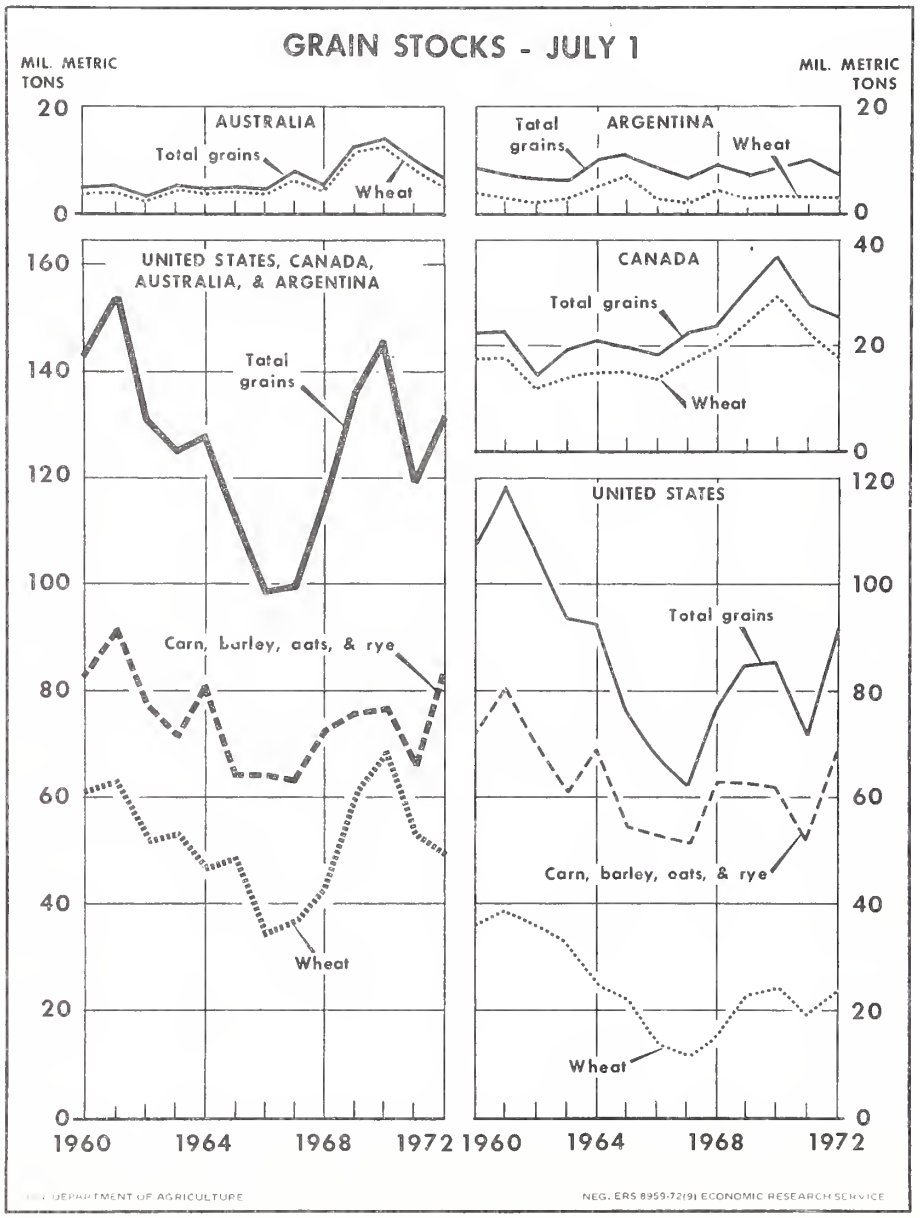


Table 1.--Wheat, feed grains and rice (milled): Production, trade and stocks by major regions, 1971-72

Item and year	United States	Major exporters 1/	Japan and Western Europe	Eastern Europe	USSR 2/		China P.R.	Other	World
				Million metric tons					
				Wheat					
Production									
1971/72	44.6	28.3	51.2	30.1	81.9	(98.7)	24.0	63.2	323.3
1972/73 3/	42.4	28.5	51.0	29.9	62.3	(75.0)	24.4	64.8	303.3
Imports									
1971/72	--	--	13.7	4.8	3.3		3.0	27.5	52.3
1972/73 3/	--	--	14.8	5.1	15.9		4.3	26.7	66.8
Exports									
1971/72	16.9	23.2	5.0	.2	4.8		--	2.2	52.3
1972/73 3/	30.6	23.6	8.5	.5	1.7		--	1.9	66.8
July 1 stock									
1971	19.9	33.4	--	--	--		--	--	53.3
1972	23.5	26.1	--	--	--		--	--	49.6
1973 3/	14.5	19.5	--	--	--		--	--	34.0
				Feed Grains					
Production 4/									
1971/72	187.5	40.0	80.3	49.3	56.7	(70.5)	73.0	100.9	588.3
1972/73 3/	176.3	39.3	81.1	49.1	58.6	(71.1)	70.0	95.4	569.8
Imports									
1971/72	--	.2	31.7	4.7	3.9		--	8.8	48.3
1972/73 3/	--	.6	33.6	4.8	5.7		--	6.8	51.5
Exports									
1971/72	21.0	14.2	5.3	.9	--		--	6.9	48.3
1972/73 3/	26.9	11.1	6.4	.6	--		--	6.5	51.5
July 1 stock 5/									
1971	51.1	14.4	--	--	--		--	--	65.5
1972	68.2	14.1	--	--	--		--	--	82.3
1973 3/	65.6	17.4	--	--	--		--	--	83.0
				Milled Rice					
Production 7/									
1971	2.8	7.2	10.9	.1	.9		61.8	111.5	195.2
1972 3/	2.8	6.3	11.7	.1	.9		63.0	106.8	191.6
Imports									
1972	--	--	.7	.3	.3		--	5.8	7.1
1973 3/	--	--	.7	.3	.3		--	6.0	7.3
Exports									
1972	1.8	2.2	.8	--	--		.6	1.7	7.1
1973 3/	1.9	1.7	1.1	--	--		.6	2.0	7.3
				Total Grains					
Production									
1971	234.9	75.5	142.4	80.1	139.5	(170.5)	158.8	275.6	1,106.8
1972 3/	221.5	74.1	143.8	79.1	121.8	(147.5)	157.4	267.8	1,064.7
July 1 stock 6/									
1971	71.0	47.8	--	--	--		--	--	118.8
1972	91.7	40.2	--	--	--		--	--	131.9
1973 3/	80.1	36.9	--	--	--		--	--	117.0

1/ For wheat and feed grains the major exporters are Canada, Australia and Argentina. For rice the major exporters are Thailand and Burma.

2/ Figures in parentheses are official, bunker weight, not adjusted for excess moisture and dockage. Figures without parentheses are estimates of usable dry weight grain.

3/ Data are preliminary working estimates.

4/ Barley, corn, oats, sorghum, and rye plus mixed grain in EC., and miscellaneous grain in China.

5/ Barley, corn, oats and rey.

6/ Wheat and feed grains only.

7/ Rice on calendar year basis.

Table 2.--World wheat and feed grain production and trade, U.S. and USSR trade in wheat and feed grains, and world wheat and feed grain stocks, 1963-72

Year beginning July 1	World production	World trade	USSR net imports	U.S. exports	World carryover (June 30) stocks 1/
	Million metric tons				
Wheat					
1963	226	57	7	23	47
1964	255	52	--	20	49
1965	248	63	6	24	34
1966	287	57	-1	20	37
1967	278	52	-4	20	42
1968	307	47	-6	15	60
1969	287	52	-5	17	69
1970	290	54	-7	20	53
1971	323	52	-2	17	50
1972 2/	303	67	4/ 14	31	34
Feed grains 3/:					
1963	435	33	-1	16	81
1964	432	35	-3	18	64
1965	455	42	-2	26	64
1966	484	42	-1	22	62
1967	513	41	-1	20	73
1968	514	36	--	16	76
1969	534	40	-1	20	77
1970	529	44	1	20	66
1971	588	48	4	21	82
1972 2/	570	52	4/ 7	27	83
Total					
1963	661	90	6	39	128
1964	687	87	-3	37	113
1965	703	104	4	49	98
1966	771	99	-2	42	99
1967	791	93	-5	40	115
1968	821	82	-6	31	136
1969	821	92	-6	36	145
1970	819	98	-6	40	119
1971	911	100	2	38	132
1972 2/	873	119	4/ 21	58	117

1/ Includes wheat, rye, barley, oats, and corn for the United States, Canada, Australia, and Argentina.

2/ The data for 1972/73 are preliminary forecasts. They should be regarded as working benchmarks to help keep the world situation in perspective as conditions change.

3/ Production and USSR trade data include rye, barley, corn, oats, and sorghum, but U.S. exports exclude rye.

4/ Assumes that 5 million tons of total USSR grain purchases for 1972/73 will be delivered to other destinations such as Eastern Europe and Cuba.

Source: Grain and Feed Division, FAS.

World Wheat and Feed Grain Exports Up

Massive purchases of wheat and feed grains by the Soviet Union during this past summer are having a major impact on the world grain situation (table 2). Import requirements in other areas are generally about the same in 1972/73 as in the past season, although further purchases could be made by such countries as the People's Republic of China, India, and even the USSR.

World wheat and feed grain production, although declining in 1972/73, is the second largest on record. Total world grain production (including milled rice) is estimated to decline about 4 percent to 1.06 billion tons. Stocks of wheat and feed grains in the four major exporting countries 1/ last summer were relatively high at 132 million tons. However, the proportion of stocks in wheat was lower than normal (table 3) and a small wheat crop is in prospect for Australia. Since most Soviet grain purchses have been wheat, the most significant supply-demand pressures are concentrated in wheat rather than feed grains.

Also, rice supplies are short in several Asian countries. Normally, there is little significant substitution of import demand between rice and either wheat or feed grains. In extraordinary cases, such as the extreme rice shortfall in India and Pakistan in the mid-1960's, increased import demands may be met by substituting other grains.

In each of the past 2 seasons, aggregate world trade in wheat and coarse grains totaled about 100 million tons, with wheat accounting for slightly over half. For the July-June 1972/73 season, the figure is expected to reach a new high of about 119 million tons. The Soviet Union accounts for most of the increase. It had net imports of only two million tons last year but net imports are estimated at 21 million tons in the current season. The Soviet Union may use about 5 million tons of its 1972/73 purchases to meet commitments to other countries.

The previous high for world wheat and feed grain trade was 104 million tons in the 1965/66 season. Then, the Soviet Union was a net importer of 4 million tons, mainly wheat, and India was an importer of about 8 million tons of grain. In the current year India is thus far expected to import around a half million tons, against 1.6 million last season.

This year the United States has a much larger than usual portion of the world's exportable grain supplies and the sizable increase in world import requirements is being supplied chiefly by the United States. Aggregate exports of U.S. wheat and feed grains during 1972/73 are estimated at 57.5 million tons, compared with 37.9 million tons last season. Again, the projected increase closely parallels the increased import requirements in the Soviet Union.

With currently expected levels of world trade in 1972/73 combined wheat and feed grain stocks in the 4 major exporting countries are expected to be about 117 million tons on July 1, 1973.

1/ United States, Canada, Argentina, and Australia.

Table 3.--Grain stocks of 4 major exporters on July 1

Country and year	Wheat	Rye	Barley	Oats	Corn	Total grains 1/	Total excluding wheat 1/
	Million metric tons						
United States							
1950-54	14.3	0.2	1.6	3.6	31.9	51.6	37.3
1955-59	28.1	0.3	3.2	4.6	48.7	84.9	56.8
1960-64	33.4	0.2	3.1	4.2	62.7	103.7	70.3
1965-69	17.1	0.4	2.9	4.4	49.1	73.9	56.8
1970	24.1	0.5	5.2	7.1	48.8	85.7	61.6
1971	19.9	0.7	3.4	7.4	39.7	71.1	51.1
1972	23.5	1.1	3.8	8.0	55.3	91.7	68.2
1973 2/	14.5	--	--	--	--	80.1	65.6
Canada							
1950-54	9.4	0.3	2.2	2.1	neg	14.0	4.6
1955-59	17.8	0.4	3.0	2.6	neg	23.8	6.0
1960-64	15.0	0.2	2.5	2.4	neg	20.1	5.1
1965-69	17.8	0.2	3.1	2.0	neg	23.1	5.3
1970	29.1	0.3	4.9	2.2	neg	36.6	7.5
1971	22.2	0.3	3.3	2.0	neg	27.8	5.6
1972	18.1	0.4	5.2	1.9	neg	25.6	7.5
1973 2/	12.4	--	--	--	--	22.2	9.8
Argentina							
1950-54	2.9	0.4	0.5	0.6	2.3	6.7	3.8
1955-59	4.3	0.5	0.6	0.5	3.5	9.4	5.1
1960-64	3.2	0.3	0.4	0.4	3.6	7.9	4.7
1965-69	3.7	0.1	0.2	0.2	4.4	8.5	4.8
1970	3.3	0.1	0.3	0.1	5.3	9.0	5.7
1971	2.9	0.1	0.1	0.2	6.8	10.1	7.2
1972	2.9	0.1	0.2	0.2	4.3	7.7	4.8
1973	3.3	--	--	--	--	9.5	6.2
Australia							
1950-54	3.0	neg	0.2	0.3	neg	3.5	0.5
1955-59	3.6	neg	0.4	0.6	neg	4.6	1.0
1960-64	3.6	neg	0.4	0.6	neg	4.6	1.0
1965-69	6.0	neg	0.4	0.6	neg	7.0	1.0
1970	12.3	neg	0.6	1.2	neg	14.1	1.8
1971	8.4	neg	1.0	1.1	neg	10.5	2.1
1972	5.1	neg	.9	.9	neg	6.9	1.8
1973 2/	3.8	--	--	--	--	5.2	1.4
Total of above 1/							
1950-54	29.6	1.0	4.4	6.6	34.2	75.7	46.1
1955-59	53.8	1.2	7.2	8.3	52.2	122.6	68.8
1960-64	55.2	0.7	6.4	7.6	66.3	136.3	81.1
1965-69	44.5	0.8	6.5	7.2	53.5	112.5	68.0
1970	68.7	0.9	11.0	10.7	54.2	145.5	76.8
1971	53.3	1.1	7.8	10.7	46.5	119.8	65.5
1972	49.6	1.6	10.1	11.0	59.6	131.9	82.3
1973 2/	34.0					117.0	83.0

1/ Totals may not add due to rounding.
2/ The data for 1973 are preliminary forecasts. They should be regarded as working benchmarks to help keep the world situation in perspective as conditions change.

Source: Grain and Feed Division, FAS.

World Wheat Supplies and Trade

Based on conditions reported through early October, the 1972 world wheat crop is estimated at 303 million tons, down from 323 million in 1971. Most of the decline reflects a 20 million ton drop in the USSR wheat crop. U.S. production was about 42.4 million tons or 2.2 million below 1971.

Total production of Canada, Argentina and Australia is estimated at about 28.5 million tons, about the same as last year.

Estimates of early October indicated Canada would have a wheat crop of 14.3 million tons, about the same as last year, despite of a 10 percent increase in wheat acreage. A drought in Australia is expected to lower its wheat crop to be harvested in December to 6.7 million tons from 8.6 million last year. This drop will be more than offset by an expected larger crop in Argentina--7.5 million tons, up from 5.4 million last year.

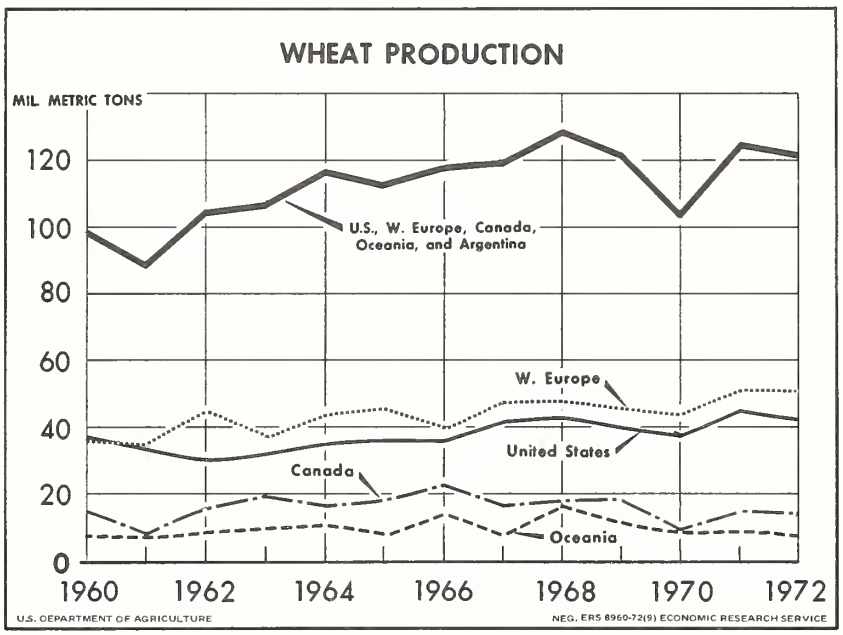


Table 4.--World wheat and wheat flour trade (grain equivalent), July-June year, 1963/64 - 1972/73

Region and country	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	Prelim. 1971/72	Estimated 1972/73 1/
	Million metric tons									
Exports										
Canada	15.0	11.9	14.9	14.8	8.9	8.7	8.9	11.4	13.7	15.6
Australia	7.8	6.4	5.7	6.9	7.0	5.3	7.4	9.3	8.4	5.8
Argentina	2.8	4.3	7.8	3.1	1.4	2.7	2.1	1.7	1.1	2.2
Subtotal	25.6	22.6	28.4	24.8	17.3	16.7	18.4	22.4	23.2	23.6
West Europe 2/	4.1	5.9	5.9	5.1	6.3	6.3	8.3	3.9	5.8	8.5
East Europe	.3	.3	.9	1.7	2.3	2.0	1.3	.1	.2	.5
USSR	2.7	2.2	2.6	4.4	5.3	5.8	6.4	7.1	4.8	1.7
Other	.9	1.2	1.2	.7	.6	.7	.9	.5	1.9	1.9
Total non U.S.	33.6	32.2	39.0	36.7	31.8	31.5	35.3	34.0	35.1	36.2
United States 3/	23.4	19.6	23.7	20.3	20.5	15.0	16.8	20.1	17.2	30.6
Total	57.0	51.8	62.7	57.0	52.3	46.5	52.1	54.1	52.3	66.8
Imports										
Japan	3.9	3.5	3.5	4.3	4.0	4.2	4.4	4.8	5.0	5.3
West Europe 2/	11.5	9.5	10.9	10.3	9.0	10.2	9.8	11.5	8.7	9.5
East Europe	6.0	7.4	7.2	5.4	4.9	4.3	4.9	6.5	4.8	5.1
USSR	9.7	2.2	8.5	3.1	1.5	.2	1.1	.3	3.3	4/15.9
China	5.2	5.0	6.3	5.0	4.2	3.5	5.1	3.6	3.0	4.3
Subtotal	36.3	27.6	36.4	28.1	23.6	22.4	25.3	26.7	24.8	40.1
Selected Africa 5/	2.6	2.9	3.5	5.6	5.2	3.2	3.5	5.2	5.2	4.9
Selected Latin America 6/	3.0	3.7	3.9	4.6	5.1	4.3	3.9	3.6	4.3	4.8
Selected West Asia 7/	.3	.8	.4	.5	.3	.9	.3	.8	1.4	.4
Selected South Asia 8/	5.8	8.3	8.4	8.3	8.7	4.6	4.1	3.4	3.6	3.5
Selected Other Asia 9/	1.7	1.2	1.4	1.3	1.8	2.0	2.7	2.9	3.0	3.0
Others	7.3	7.3	8.7	8.6	7.6	9.1	12.3	11.5	10.0	10.1
Total	57.0	51.8	62.7	57.0	52.3	46.5	52.1	54.1	52.3	66.8

1/ The individual estimates should be regarded as working benchmarks to help keep the world situation in perspective as conditions change.
2/ Excludes EC intra-trade.
3/ Includes transshipments through Canadian ports and major products.
4/ Assumes total U.S., Canada, Australia, Romania, Sweden, and EC sales to the Soviet Union are 19.6 million tons, of which 3.7 million go to other destinations such as Eastern Europe and Cuba.
5/ Includes Algeria, Morocco, Nigeria, Tunisia, South Africa, and Egypt.
6/ Includes Mexico, Brazil, Chile, Colombia, Peru, and Venezuela.
7/ Includes Israel, and Iran.
8/ Includes India, Pakistan, and Bangladesh.
9/ Includes Taiwan, Philippines, Hong Kong, and South Korea.

Source: Grain and Feed Division, FAS.

Wheat stocks in the 4 major exporting countries on July 1, 1972, totaled 50 million tons, down 4 million tons from a year earlier. The United States had the bulk, 23.5 million tons, compared with Canada's 18.1 million tons. Argentine and Australian wheat stocks on July 1 were largely already committed to domestic or export use.

Wheat supplies in other exporting countries are about normal. The EC total of about 41 million tons is slightly above last year. Supplies in Other Western Europe are about the same as last year. Production declines in several other West European countries were more than offset by the increases elsewhere.

Import estimates for 1972/73 also are normal except for the USSR (table 4). Some reservations have to be made for China, which could need larger imports than currently estimated. There are some indications that recent adverse weather may reduce other grain crops in China not yet harvested. There also are continued reports of Chinese interest in further purchases.

In India, if good weather holds through this fall and next spring, only minor wheat imports are expected, but stocks are being drawn down to fill production deficits in the fall crops. A larger shortfall in production, however, could increase imports above current expectations.

World wheat imports for 1972/73 are estimated at 67 million tons, up 15 million tons from a year earlier. If these estimates materialize along with expected production and consumption in major exporting countries, world wheat stocks of the 4 major exporters next summer could total about 34 million tons, well below last summer's 50 million tons, and equal to the recent low of 34 million tons in 1966. U.S. wheat stocks would decrease from last summer's 23.5 million tons to 14.5 million tons by June 30, 1973.

World Feed Grain Supplies and Trade

Feed grain stocks of the United States, Canada, Australia, and Argentina this past summer exceeded 82 million tons, up from 66 million tons a year earlier (table 2). The United States held over 80 percent and U.S. corn accounted for 60 million tons. The United States had all but 5 million tons of the corn stocks. Canada held the bulk of the barley stocks, up 2 million tons from a year earlier.

Total 1972/73 world feed grain production is estimated to be down some 18 million tons to 570 million tons but still the second largest crop on record. The decrease occurred largely in the 4 major exporting countries whose feed grain production declined from 228 to 216 million tons. The larger stocks more than offset the decline in production.

The world market for feed grains is being influenced by the strong import demand and the reduced supply in several exporting countries. This is putting additional demands on the United States. Higher relative wheat and rice prices will reduce feeding of wheat and rice.

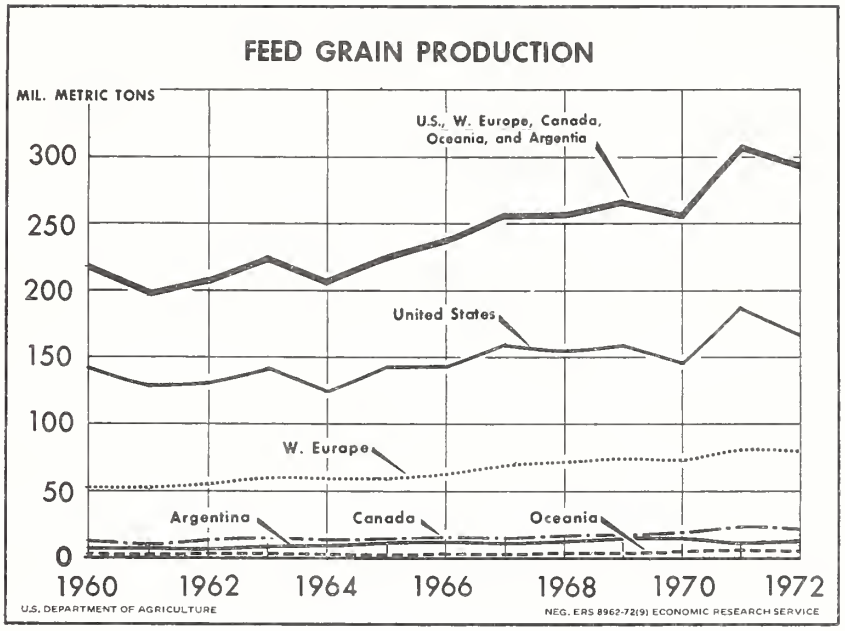
South Africa has large supplies of corn but its railroad capacities continue to inhibit exports. Argentina, with poor corn and sorghum crops in the spring of 1972 has relatively low levels of corn stocks. Little of Argentina's 1972/73 corn has been planted but more normal production levels can be expected. The Thai corn crop to be harvested this fall is expected to be down, along with its corn exports.

Table 5.--World feed grain trade 1/ July-June year, 1963/64 - 1972/73 2/

Country or region	1963/64	1964/65	1965/66	1966/67	1967/68	1968/69	1969/70	1970/71	Prelim. 1971/72	Estimated 1972/73 1/
	Million metric tons									
Exports										
Canada	1.2	.9	1.0	1.1	1.1	.4	1.3	4.1	4.2	3.5
Australia	.7	.8	.5	.9	.3	.9	.9	2.2	3.3	3.5
Argentina	3.8	5.0	3.7	6.6	4.2	5.7	5.9	7.5	6.7	4.1
South Africa	2.6	.8	.7	.6	3.1	2.3	.8	.8	2.9	3.7
Thailand	.9	.9	1.2	1.3	1.3	1.3	1.6	1.7	1.7	1.0
Subtotal	9.2	8.4	7.1	10.5	10.0	10.6	10.5	16.3	18.8	15.8
Western Europe 4/	2.7	3.0	3.1	3.8	3.8	3.7	4.3	4.0	5.3	6.4
Eastern Europe	1.3	1.2	1.9	1.7	2.0	.9	1.8	.9	.9	.6
USSR	1.1	2.3	1.6	.8	.9	.9	.5	.1	5/	5/
Other	2.3	2.2	3.4	3.4	3.8	3.6	3.0	3.3	2.3	1.8
Total non-U.S.	16.6	17.1	16.1	20.2	20.5	19.7	20.1	24.6	27.3	24.6
United States 6/	16.3	18.0	25.8	21.5	20.3	16.5	19.7	19.8	21.0	26.9
Total exports	32.9	35.1	41.9	41.7	40.8	36.2	39.8	44.4	48.3	51.5
Imports										
Japan	4.6	5.1	5.1	7.2	7.7	8.5	10.0	10.3	10.0	11.6
Western Europe 4/	20.0	20.5	26.4	25.1	24.2	20.5	20.3	25.5	21.7	22.0
Eastern Europe	2.3	3.3	2.6	1.8	1.6	1.4	2.5	2.7	4.7	4.8
USSR	--	--	5/	5/	5/	.7	5/	.8	3.9	7/ 5.7
China	.8	.2	5/	5/	5/	5/	5/	5/	5/	5/
Subtotal	27.7	29.1	34.1	34.0	33.5	31.1	32.8	39.3	40.3	44.1
Selected Africa 8/	.4	.3	.3	.2	.3	.1	.1	.1	.1	.1
Selected Lat. Am. 9/	.5	.4	.2	.2	.2	.7	.9	1.0	.7	.8
Selected West Asia 10/	.5	.4	.4	.6	.1	.6	.8	.7	.8	.8
Selected So. Asia 11/	.1	.1	1.1	2.5	1.0	.1	.5	4/	4/	4/
Selected Other Asia 12/	.4	.3	.2	.3	.6	1.0	1.0	1.4	2.2	2.3
Other	3.3	4.5	5.6	3.8	5.1	2.6	3.7	1.9	4.2	3.4
Total	32.9	35.1	41.9	41.7	40.8	36.2	39.8	44.4	48.3	51.5

1/ The individual estimates should be regarded as working benchmarks to help keep the world situation in perspective as conditions change.
2/ Includes corn, grain sorghum, barley, and oats.
3/ Actual trade data are taken from export statistics: Current year trade is based on estimated import requirements.
4/ Excludes EC intra-trade.
5/ Less than 50,000 metric tons.
6/ Includes products of grain in grain equivalent and adjustments for transshipments thru Canadian ports.
7/ Assumes total Soviet purchases of 8 million tons of which 2.3 will be delivered to other destinations such as Eastern Europe and Cuba.
8/ Includes Algeria, Morocco, Nigeria, Tunisia, South Africa, and Egypt.
9/ Includes Mexico, Brazil, Chile, Colombia, Peru, and Venezuela.
10/ Includes Israel and Iran.
11/ Includes India, Pakistan, and Bangladesh.
12/ Includes Taiwan, Philippines, Hong Kong, and South Korea.

Source: Grain and Feed Division, FAS.



Larger stocks of barley are available in Canada along with larger stocks of oats in the United States. Canada, however, with record grain exports expected, could experience difficulty moving ever-larger grain supplies from producing areas to export market. Also, the Canadian Wheat Board may tend to give priority to wheat exports which would place additional demands on the United States as the major supplier of feed grains.

World import demand for feed grains excluding the USSR in 1972/73 appears to be in line with normal trends and expectations (table 5). The USSR is expected to take about 8 million tons of feed grains in 1972/73, largely corn and mostly from the United States. This is double the estimated 4 million tons in 1971/72, but some of the 1972/73 purchases may go to Eastern Europe. Total world imports of feed grains should be up 4 million tons over last year's level to around 52 million tons. The larger exports are mainly accounted for by shipments to the USSR, Japan, and Western Europe.

Wheat and Feed Grain Prices

World wheat prices increased sharply in July and August as the Soviet Union increased its purchases. The "world" price 1/ of wheat as calculated by the European Community was about $81 per metric ton for October delivery compared with the July average of $50. World prices had previously been relatively stable since 1970 (table 6). The previous highs in the "world" wheat price as calculated by the EC were in 1964 and 1967.

"World" corn prices computed by the EC have also shown considerable strength in recent weeks. The level reported for October delivery was over $68 per ton, as compared with $54 in July 1972 and prices above $70 in the fall of 1970 which reflected the U.S. corn blight outlook. Barley prices in Rotterdam have increased to particularly high levels, probably reflecting smaller export offers by supplier

1/ Lowest world offer prices adjusted to EC quality standards and delivery at Rotterdam. Although this "world price" series has its shortcomings, e.g., the use of fixed quality coefficients, it serves as a guide to world price movements.

Table 6.--Selected grain prices

Year and month	Wheat			Corn
	"World" price 1/	2 Hard Winter 12% 2/	1 Canadian Western Red Spring 2/ 3/	"World" price 1/
	$US per metric ton			
1964 April	63.59	73.25	78.13	59.92
October	58.54	75.83	79.49	59.86
1965 April	55.77	65.15	74.96	63.65
October	54.31	64.74	76.85	58.92
1966 April	55.44	64.61	78.38	61.91
October	60.58	70.27	78.41	62.79
1967 April	62.32	73.70	80.44	60.52
October	60.18	70.56	77.70	55.08
1968 April	55.16	65.99	74.44	53.49
October	57.20	67.74	74.10	48.29
1969 April	55.20	--	71.20	54.40
October	49.36	62.56	70.80	57.38
1970 April	50.25	61.91	72.50	61.08
October	60.07	70.17	78.09	69.03
1971 April	58.00	69.47	72.94	65.78
October	52.82	64.20	71.31	53.85
1972 April	55.72	64.85	73.01	57.43
May	51.94	65.03	72.74	55.11
June	50.61	64.76	72.30	55.53
July	49.95	65.28	73.19	54.03
August	61.66	67.76	78.62	64.33
September	74.33	85.61	92.21	69.05
October 4/	80.98	89.75	99.00	68.50

1/ Lowest "world"offer prices calculated by EC Commission based on average threshold prices and levies published in Marche Agricole, EC Commission, Brussels.

2/ Rotterdam CIF prices published by International Wheat Council, except for October 1972 from Hamburg Borse.

3/ Prior to November 1971 these were prices for No. 2 Manitoba Northern.

4/ Mid month.

countries such as Canada where barley must compete strongly with wheat for loading and shipping facilities.

Wheat and Feed Grain Prospects for 1973/74

Given available grain stocks in 4 major exporting countries, and the production and trade estimates for the current season, carryover stocks at the end of 1972/73 will be approximately 117 million tons, 34 million of wheat and 83 million of feed grains. Current wheat market conditions, with higher than normal prices, may already reflect this prospective year-end stock situation.

Under these circumstances, world market and price conditions for the coming months will depend heavily upon weather conditions and the emerging outlook for world grain production in 1973. Efforts to expand grain production in 1973 can be expected in some countries.

Producers in many countries tend to be insulated by import restrictions and by internal prices supported at levels even higher than current world grain market prices.

In a number of exporting countries, however, current world prices can be expected to induce higher levels of production. Argentina, Canada, Australia, and the United States are the principal countries thus affected. Significant responses could also boost production in other countries such as Brazil, Greece, Mexico, South Africa, Thailand, Turkey, and some countries of North and East Africa. Also in the People's Republic of China, the Soviet Union, and India, major efforts to increase production will continue or increase.

Much depends upon weather and crop conditions. With normal crop conditions, additional inducements for larger plantings and heavier application of fertilizers could permit a substantial rebuilding of stocks. If the 1973 crop conditions are below normal, however, a relatively strong market could continue for another season.

World Rice Supplies and Trade 1/

World rice production in calendar 1972 is expected to be down about 4 million tons to 192 million tons. Most of the decrease is from a sharply reduced rice crop in India due to poor weather; however, further bad weather and military conflicts also appear to be preventing any appreciable increase in output in Laos, South Vietnam, the Khmer Republic, and the Philippines.

Present exportable supplies which are located largely in the United States, Italy, Thailand, China, and Japan, are below last year's level. U.S. production was up a small amount but stocks declined. Production in Western Europe is down slightly. Japan has reduced its rice stocks during its rice year by at least half at the start of their new rice year in October 1972. Burma is out of the rice market pending harvest of its new rice crop in December. Thailand has placed controls on its rice exports to assure supplies for its domestic market at a fixed price.

South Vietnam, the Khmer Republic, Bangladesh, the Philippines, and Indonesia will need large imports prior to harvests at the end of the year. Except for India, production this fall in most of Asia is expected to equal or exceed that of last year but may not be sufficient to cover expanded consumption requirements. Imports for calendar year 1972 are expected to be down only slightly from the high level of

1/ All rice data on a milled basis.

Table 7.--World milled rice exports and imports by major regions, 1963-73

Country	1963	1964	1965	1966	1967	1968	1969	1970	1971	Prelim. 1972	Forecast 1973 1/
	Million metric tons										
Exports											
Thailand	1.4	1.9	1.9	1.5	1.4	1.0	1.0	1.1	1.6	1.8	1.3
Burma	1.7	1.4	1.3	1.1	.5	.4	.5	.7	.8	.4	.4
Japan	--	--	--	--	--	--	.3	.6	.8	.3	.5
Selected Asia 2/	.6	.7	.9	.6	.6	.4	.3	.3	.2	.3	.3
Selected South America 3/	.1	.1	.4	.5	.3	.4	.3	.4	.5	.3	.4
Subtotal	3.8	4.1	4.5	3.7	2.8	2.2	2.4	3.1	3.9	3.1	2.9
China, P.R.	.6	.8	.8	1.2	1.1	.9	.7	.9	.7	.6	.6
Italy	.1	.1	.1	.1	.2	.2	.2	.3	.4	.5	.6
Other	1.5	1.4	1.2	1.1	1.0	1.3	1.4	1.2	1.1	1.1	1.3
Total non-U.S.	6.0	6.4	6.6	6.1	5.1	4.6	4.7	5.5	6.0	5.4	5.4
United States	1.2	1.3	1.5	1.3	1.8	1.8	1.9	1.7	1.4	1.8	1.9
Total exports	7.2	7.7	8.1	7.4	6.9	6.4	6.6	7.5	7.5	7.1	7.3
Imports											
EC	.3	.3	.3	.4	.4	.4	.4	.4	.4	.4	.4
Other Western Europe	.2	.2	.3	.3	.3	.2	.3	.3	.3	.3	.3
Eastern Europe	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3	.3
USSR	.2	.4	.2	.3	.4	.3	.3	.3	.3	.3	.3
Subtotal	1.0	1.2	1.1	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Selected Latin America 4/	.1	.1	.2	.1	.1	.1	.1	.1	.1	.1	.1
Selected Africa 5/	.4	.5	.5	.5	.4	.5	.5	.5	.6	.6	.6
Selected West Asia 6/	.3	.3	.3	.3	.2	.3	.3	.3	.3	.3	.3
Selected South Asia 7/	1.1	1.4	1.1	1.6	1.0	.9	.8	1.0	.9	1.1	1.3
Selected Other Asia 8/	2.9	2.6	2.3	1.4	1.9	1.6	2.5	3.3	2.9	2.8	2.6
Others	.6	1.4	2.3	2.4	2.1	1.7	.9	.6	1.4	.9	1.1
Total imports	6.4	7.5	7.8	7.6	7.0	6.4	6.4	7.1	7.5	7.1	7.3

1/ The individual estimates should be regarded as working benchmarks to help keep the world situation in perspective as conditions change.

2/ Khmer Rep., Taiwan, Pakistan.

3/ Argentina, Brazil, Guyana, Surinam, Uruguay, Venezuela.

4/ Chile, Jamaica, Mexico, Peru, Trinidad and Tobago.

5/ Ghana, Ivory Coast, Liberia, Mauritius, Reunion, Senegal, South Africa.

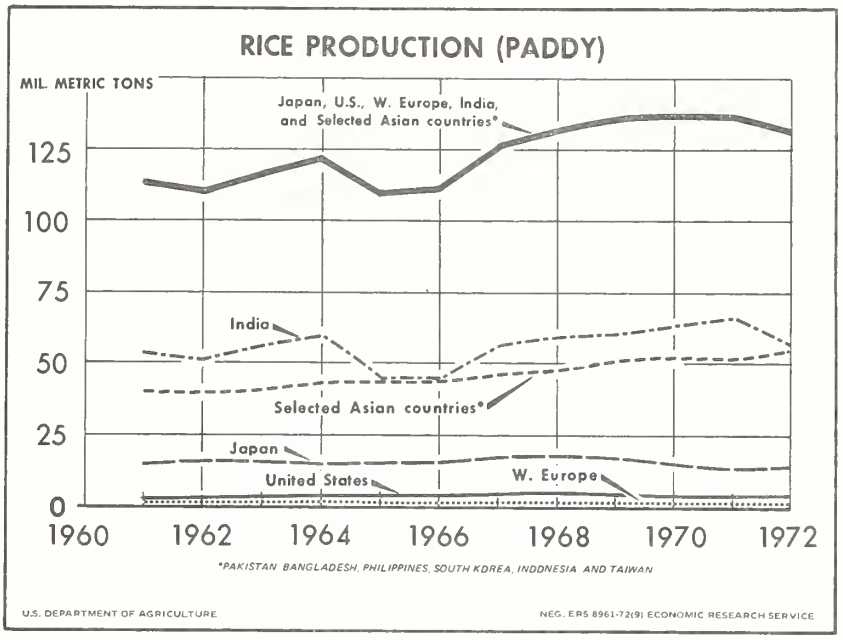
6/ Iran, Israel, Jordan, Lebanon, Saudi Arabia, Syria.

7/ Bangladesh, Ceylon, India.

8/ Hong Kong, Indonesia, Korea, Rep., Malaysia (West), Philippines, Ryukyu Is., Singapore, Vietnam Rep.

1971 (table 7). Imports for 1973 could return to or even surpass the 1971 level of almost 7.5 million tons if crops in Asia are shorter than anticipated.

With the level of this year's world outturn still dependent upon the fall harvests in Mainland China and India, the world's largest rice producers, the level and pattern of world trade in 1973 cannot be fully ascertained. A shortfall in rice production in the Far East will continue pressure on the United States to increase its rice shipments to this area. Conceivably import demand could return to the high levels of the mid-1960's, a period of high prices when the United States supplied large quantities of rice to the Far East due to limited supplies among neighboring suppliers, largely Thailand and Burma. (James W. Willis)



U.S. Grain Crop Down; Supplies and Exports Up

U.S. grain production for 1972/73 is estimated to drop 13 million tons to 222 million tons from last year's record crop largely because of less acreage harvested by growers participating in the wheat and feed grain programs. Total supplies for the season, however, will be up over last year due to large carryover stocks.

The 1972 wheat crop is indicated at 42.4 million tons (1,559 million bushels), 5 percent below the 1971 record. This crop and the 23.5 million ton carryover on July 1 give total wheat supplies of 66 million tons, the most since 1962/63.

Wheat exports are projected at a record 30.6 million tons (1,125 million bushels) as compared to 17.2 million tons in 1971/72 and the previous high of 23.7 million in 1965/66. Highlighting this year's export outlook is the estimate of 11 million tons to USSR. Also, 0.4 million are reportedly sold to Mainland China, the first such sale of U.S. wheat in many years.

The strong export demand has caused a rapid rise in wheat prices and domestic use is expected to drop to 20.9 million tons, reflecting lower feed use. Prospective total utilization of 51.5 million tons indicates a carryover of 14.5 million tons on July 1, 1973, the lowest since 1967.

Table 8.--Production of wheat, feed grains and rice, by country and region, 1961-72

Commodity and year	United States	Canada	Australia	Argentina	EC	Other West Europe	East Europe	USSR 1/	Africa	West Asia 2/	Other Asia 3/	China P.R.	Latin America less Argentina	Total
	Million metric tons													
Wheat														
1961	33.5	7.7	6.7	5.8	23.1	11.3	16.4	52.3 (66.5)	4.3	12.8	17.2	16.5	3.5	211.1
1962	29.7	15.4	8.3	5.7	29.5	14.7	15.3	54.4 (70.8)	5.9	14.3	18.4	21.2	4.0	236.8
1963	31.2	19.7	8.9	9.0	24.4	12.7	17.5	40.0 (49.7)	6.3	14.4	16.3	22.0	3.8	226.2
1964	34.9	16.3	10.0	11.3	29.2	13.9	17.9	57.7 (74.4)	5.9	13.9	16.0	24.0	4.5	255.5
1965	35.8	17.7	7.1	6.0	30.3	14.8	21.8	46.5 (59.7)	5.7	14.9	18.9	24.0	4.4	247.9
1966	35.7	22.5	12.7	6.3	26.3	13.4	22.5	85.0(100.5)	4.5	15.1	16.1	23.0	3.9	287.0
1967	41.4	16.1	7.6	7.3	31.2	15.8	25.3	64.2 (77.4)	5.8	17.4	17.6	24.5	4.2	278.4
1968	42.9	17.7	14.8	5.7	32.3	15.1	25.2	76.5 (93.4)	7.9	17.5	24.9	22.0	4.6	307.1
1969	39.7	18.6	10.6	7.0	31.4	13.7	25.3	62.3 (79.9)	6.7	17.0	26.7	23.0	5.4	287.4
1970	37.3	9.0	7.9	4.2	29.5	14.1	22.8	82.7 (99.7)	7.6	16.1	28.7	24.5	6.1	290.5
1971	44.6	14.4	8.5	5.4	34.0	16.8	30.1	81.9 (98.7)	8.0	18.9	31.2	24.0	5.5	323.3
1972 4/	42.4	14.3	6.7	7.5	35.2	15.5	29.9	62.3 (75.0)	8.9	18.1	33.0	24.4	5.1	303.3
Feed grains 5/														
1961	125.7	8.9	2.4	8.6	26.5	23.3	38.7	49.9 (56.0)	19.9	8.2	24.6	45.4	20.3	402.4
1962	129.6	13.7	2.6	6.3	28.3	24.3	37.5	44.8 (57.7)	22.7	8.7	27.6	54.6	21.4	422.1
1963	140.3	14.3	2.6	9.1	32.1	25.2	39.1	40.3 (46.8)	22.0	9.5	24.3	54.6	21.7	435.1
1964	122.5	12.0	2.7	8.3	30.1	26.8	41.0	49.7 (61.5)	22.7	8.0	27.1	56.0	24.9	431.8
1965	143.7	14.4	2.4	10.3	29.8	27.8	40.5	44.5 (50.7)	23.5	8.6	24.5	59.0	26.0	455.0
1966	143.6	15.9	3.8	10.7	31.7	28.5	45.8	50.3 (58.6)	29.0	8.3	28.3	60.0	28.5	484.4
1967	160.3	13.7	2.0	10.1	37.0	31.4	44.5	50.3 (58.5)	25.2	9.4	29.2	71.5	28.4	513.0
1968	153.8	16.6	3.8	10.8	37.5	32.7	45.1	54.4 (63.4)	25.5	9.2	30.5	65.0	29.2	514.1
1969	159.2	17.8	3.7	14.6	38.3	33.7	48.8	57.4 (68.7)	26.2	9.2	28.6	67.0	29.1	533.6
1970	144.9	19.6	5.5	15.4	37.3	32.8	42.6	60.0 (74.8)	29.3	8.5	30.0	73.0	31.0	529.9
1971	187.5	24.7	5.9	9.4	42.1	37.6	49.9	56.7 (70.5)	31.9	8.8	28.7	73.0	32.1	588.3
1972	176.3	20.8	5.0	13.5	44.0	36.7	49.1	58.6 (71.1)	32.0	7.8	24.4	70.0	31.6	569.8

-- Footnotes at the end of table --

-- Continued --

Table 8.--Production of wheat, feed grains, and rice, by country and region, 1961-72 (Continued)

Commodity and year	United States	Canada	Australia	Argentina	EC	Other West Europe	East Europe	USSR 1/	Africa	West Asia 2/	Other Asia 3/	China P.R.	Latin America less Argentina	Total
	Million metric tons													
Rice, milled														
1961	1.8	--	.1	.1	.6	.4	.1	.2	(.2)	2.8	.6	94.2	52.0	4.6	157.5
1962	2.2	--	.1	.1	.5	.4	.1	.2	(.3)	3.5	.8	92.5	52.4	4.7	157.5
1963	2.3	--	.1	.1	.4	.4	.1	.2	(.4)	3.7	.9	100.8	51.0	4.7	164.7
1964	2.4	--	.1	.2	.5	.5	.1	.3	(.5)	3.8	.9	102.9	55.2	5.1	172.0
1965	2.5	--	.1	.1	.4	.4	.1	.4	(.6)	3.6	.9	93.6	57.2	6.2	165.5
1966	2.8	--	.1	.1	.5	.4	.1	.4	(.7)	3.7	.9	95.1	55.2	4.7	164.0
1967	3.0	--	.2	.2	.6	.4	.1	.5	(.9)	4.3	1.0	107.0	60.4	5.0	182.7
1968	3.4	--	.2	.2	.5	.4	.1	.6	(1.1)	4.5	1.1	110.8	57.2	4.7	183.7
1969	3.0	--	.2	.3	.6	.5	.1	.7	(1.1)	4.4	1.1	115.5	57.8	5.1	189.3
1970	2.7	--	.2	.2	.6	.4	.1	.8	(1.3)	4.5	1.2	117.8	61.8	5.7	196.0
1971	2.8	--	.2	.2	.6	.4	.1	.9	(1.3)	4.7	1.2	117.3	61.8	5.0	195.2
1972 4/	2.8	--	.2	.2	.6	.4	.1	.9	(1.4)	4.8	1.6	111.7	63.0	5.3	191.6
Total grains														
1961	161.0	16.6	9.2	14.5	50.2	35.0	55.2	102.4	(122.7)	27.0	21.6	136.0	113.9	28.4	771.0
1962	161.5	29.1	11.0	12.1	58.3	39.4	52.9	99.4	(128.8)	32.1	23.8	138.5	128.2	30.1	816.4
1963	173.8	34.0	11.6	18.2	56.9	38.3	56.7	80.5	(96.9)	32.0	24.8	141.4	127.6	30.2	826.0
1964	159.8	28.3	12.8	19.8	59.8	41.2	59.0	107.7	(136.4)	32.4	22.8	146.0	135.2	34.5	859.3
1965	182.0	32.1	9.6	16.4	60.5	43.0	62.4	91.4	(111.0)	32.8	24.4	137.0	140.2	36.6	868.5
1966	182.1	38.4	16.6	17.1	58.5	42.3	68.4	135.7	(159.8)	37.2	24.3	139.5	138.2	37.1	935.4
1967	204.7	29.8	9.8	17.6	68.8	47.6	69.9	115.0	(136.8)	35.3	27.8	153.8	156.4	37.6	974.4
1968	200.1	34.3	18.8	16.7	70.3	48.2	70.4	131.5	(157.9)	37.9	27.8	166.2	144.2	38.5	1,004.9
1969	201.9	36.4	14.5	21.9	70.3	47.9	74.2	120.4	(149.7)	37.3	27.3	170.8	147.8	39.6	1,010.3
1970	184.9	28.6	13.6	19.8	67.4	47.3	65.5	143.5	(175.8)	41.4	25.8	176.5	159.3	42.8	1,016.4
1971	234.9	39.1	14.6	15.0	76.7	54.8	80.1	139.5	(170.5)	44.6	28.9	177.2	158.8	42.6	1,106.8
1972 4/	221.5	35.1	11.9	21.2	79.8	52.6	79.1	121.8	(147.5)	45.7	27.5	169.1	157.4	42.0	1,064.7

1/ Figures in parentheses are official figures, bunker-weight, not adjusted for excess moisture and dockage. Figures without parentheses are FAS estimates of usable grain, dry weight.

2/ Cyprus, Iran, Iraq, Israel, Jordan, Lebanon, Syria and Turkey for all grains plus Afghanistan for corn and rice and Nepal for rice.

3/ Excludes China, P.R., includes New Zealand.

4/ Data are preliminary and should be regarded as working benchmarks to help keep the world situation in perspective as conditions change.

5/ Barley, corn, oats, sorghum, and rye, plus mixed grain in EC, and miscellaneous grains in China.

Source: Grain and Feed Division, FAS.

The feed grain supply for the 1972/73 marketing year 1/ will total about 219 million tons, slightly above last year's record volume. Production, forecast at 176 million tons, is down 12 million, but the carryover has increased.

Domestic use is projected to gain about 2-3 percent over the 149 million tons of 1971/72, because of more grain consuming animal units, particularly cattle, and less wheat feeding.

U.S. feed grain exports are expected to reach nearly 27 million tons in 1972/73 (July-June), up from 21 million in 1971/72. Most of this increase is in corn exports, estimated at 20.6 million tons in 1972/73 compared with 17.1 million last year and the record of 17.5 million shipped in 1965/66. Sales to the USSR are estimated at up to 7 million tons. In addition to the large Soviet sale, substantially larger quantities are being purchased by Italy, Spain, and Japan since the supply of Argentine corn will be limited until harvest in April 1973. Exports of the other feed grains are expected to be near or even below last year's levels. The increased import demand so far has been chiefly for corn.

Disappearance of feed grains in 1972/73, estimated at 179 million tons, will result in a lower carryover at the end of the year, and feed grain prices higher than the 1971/72 levels. However, supplies are ample relative to projected domestic use, exports, and carryover needs.

Prospects for large rice exports and another sharp drawdown in stocks highlight the U.S. rice situation. Rice supplies are estimated 6 percent short of last year's 4.7 million tons as a sharp reduction in carryin stocks more than offsets a slight increase in the 1972 crop.

Domestic use may increase moderately, and strong foreign demand and relatively tight supplies in Asia point to another good year for U.S. rice exports. Farm prices in 1972/73 will average substantially higher than a year earlier reflecting the strong demand and higher support level. Total use is projected to exceed the 1972 crop. And by next summer, stocks could be substantially below the 517,000 tons of this season.

The projected large exports of U.S. grain are contingent on an efficient and steady operation of our transportation system. Heavy shipments are moving to ports. Railroads have currently temporarily embargoed several ports because ships were not arriving on schedule, and/or labor problems were delaying loading operations. So far most of the grain to the USSR has been shipped by foreign tramp freighter. However, the just signed Maritime Agreement between the USSR and the United States will permit U.S. and Russian ships to also be utilized. For July 1 through October 6, inspections for shipment to the USSR totaled 1.3 million tons of corn and .9 million tons of wheat. (Frank R. Gomme, James J. Naive, and Jack S. Ross)

SOVIET Grain Crop Down, Imports Up

Soviet grain production is estimated at approximately 160 million tons, gross

1/ The U.S. feed grain marketing year is July/June for barley and oats and October/September for corn and sorghum.

terms. 1/ The Soviets had planned to raise 1972 grain output to 190 million tons, gross basis, to keep livestock production moving upward as scheduled. The 1971 level was 181 million tons. The 1972 grain area is estimated at 121 million hectares compared with 118 million hectares in 1971. Thus, the drop in grain output was caused primarily by unfavorable weather, which also reduced quality. The large grain imports this season, in addition to reflecting production shortfall, may be signaling a major shift in Soviet policy toward its consumers. In past shortfalls, grain usage was cut back even if this meant reduction in livestock numbers.

However, there is much about the Soviet grain situation that is not known. The Soviet Union does not have a system for regular issuance of grain crop estimates. In addition, quality of grain varies widely from year to year and there are no official estimates of these quality changes. Also, information on stocks is extremely limited, so year-to-year changes in consumption are difficult to estimate.

Severe cold and inadequate snow cover last January killed at least 30 percent of the winter grains. To offset this loss the planting of spring grains was increased and, despite lateness in some areas, spring planting conditions were generally favorable. But hot and dry weather in much of the European part of the Soviet Union hurt the last stages of winter grain development, as well as the growth of spring grains. East of the Volga River and the Ural Mountains the spring grains, predominantly spring wheat, were quite promising but late. Because of late ripening the race to finish harvesting before bad winter weather was tighter than usual. The national harvest lagged well behind those in 1971 and 1970, but was approximately the same as the 1969 pace.

Wheat production in 1972 is estimated at 75 million tons (gross terms), three-fourths the size of the bumper crops in 1970 and 1971. Most of the decrease reflects the poor winter wheat harvest, which totaled little more than half the 1971 crop of 48 million tons. Winterkill reduced the winter wheat harvested area to 15 million hectares, 6 million less than in 1971. Dry, hot weather in the growing season and rain at harvest-time in some areas contributed to the reduction in winter wheat yield.

A spring wheat crop somewhat smaller than the 51-million-ton harvest in 1971 is foreseen. The area seeded to spring wheat increased relatively little. Abnormally cool weather, but accompanied by adequate rainfall, delayed development of the crop by 10-15 days. This lateness probably resulted in some of this grain not being harvested before fall rain and snow made such work impossible. As of October 2, about 15 million hectares or 13 percent of the total small grain area remained to be harvested.

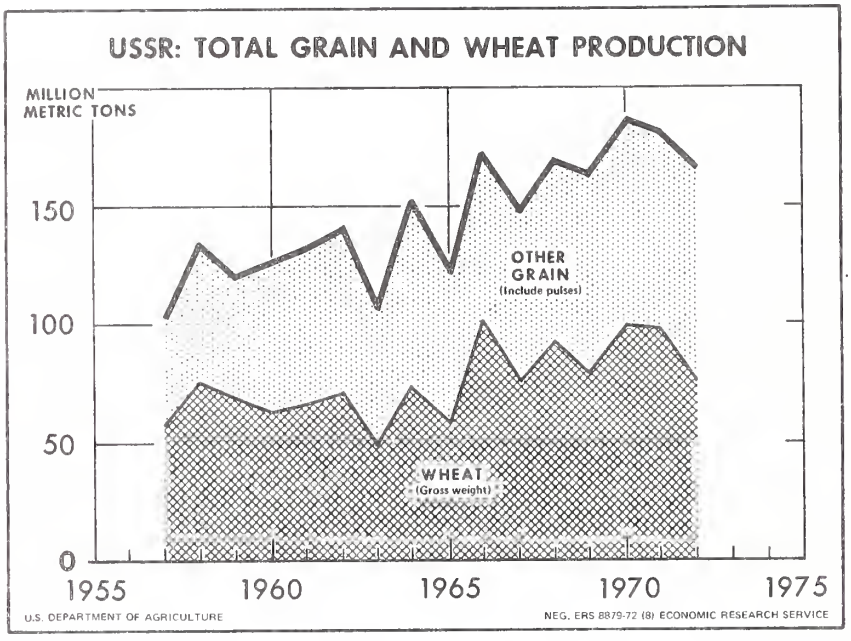
Feed grain production in 1972 is expected to be slightly more than in 1971. Although winterkill reduced the rye area by a tenth from 9.5 million hectares last year, total feed grain area increased because of reseeding of winterkilled area. The increase in feed grain area more than offset reduced yields caused mainly by unusually hot, dry weather during July and August. Production of spring barley, corn, and pulses probably will increase significantly from 1971.

The Soviet Union's foreign grain trade this season is most unusual. Traditionally the Soviet Union is a large net grain exporter, mostly to the northern countries of Eastern Europe. To date the Soviets have purchased some 27 million tons of grain

1/ For the purpose of comparability among the countries covered by this report, the total grain production data presented in table 8 are limited to wheat, rye, corn, barley, oats, and rice. For 1972, production of these 6 grains total 147 million tons in gross terms (122 million tons in terms of usable grain). In addition to these 6 grains, the Soviets include millet, buckwheat, and pulses in their grain production and these accounted for an estimated 13 million tons in gross terms in 1972.

for shipment in 1972/73, with about 5 million tons probably destined to meet Soviet commitments to other countries such as those of Eastern Europe, or Cuba. The United States is supplying about two-thirds of these Soviet grain purchases. Canada is the second ranking grain supplier followed by Australia, France, West Germany, Romania, and Sweden.

Seeding of winter grains in the Soviet Union this fall has been running much later than normal. As of October 2, a total of 21 million hectares or 61 percent of the planned area had been sown. Dry weather over much of the winter grain area is believed to have been a major factor in this slow sowing progress. However, since fall seeding continues through October, the planned area probably could still be sown but the lateness of planting would increase the vulnerability of these grains to winter damage. (Fletcher Pope, Jr.)



EAST EUROPEAN Grain Crop Near Record Levels

An above-trend 80 million ton grain crop was produced in Eastern Europe in 1971. This year an equally large grain crop is being harvested and the outlook is good for forage and root crops. Grain imports last year were at a high level because of poor forage and root crops. This year they are expected to be high again but for other reasons. Demand for feed has increased, the present grain crop is of poor quality, and some countries need to rebuild stocks.

Above-normal rainfall prolonged the harvest of small grains but improved the outlook for corn and other late feed crops. In the northern importing countries (Czechoslovakia, East Germany, and Poland) grain quality is below average and harvest losses larger than usual because of storms that caused heavy lodging.

Although Eastern Europe's 1972/73 grain imports are not expected to differ much from 1971/72, the major supplier is different. The U.S. share of the East European grain market will be increased. Traditionally, the USSR is the major supplier of grain to Eastern Europe.

Romania could have a million tons of grain available for export and Bulgaria has a lesser amount. Total 1972/73 East European exports are expected to be close to the low level of last year. (Donald Chrisler, Christine Collins, and Thomas Vankai)

CHINESE Crop About Same

For the third successive year the People's Republic of China has a reported better than average grain crop of about 159 million tons, provided extreme weather does not occur before the harvest of late crops. This harvest includes 65 million tons of rice, 24 million tons of wheat, and 70 million tons of miscellaneous grains. 1/

The output of early harvested grains (early rice, winter wheat, rye, pulses, and barley) is estimated to be less than the record harvest of 1971, but probably larger than those in years prior to 1971. The Chinese reaped a good harvest of early rice, although somewhat less than the 1971 record. Winter wheat production was about the same as last year. Production of winter barley, rye, and pulses probably increased because weather was favorable in the Yangtze Valley, a major production area.

The outlook for late harvested grains (intermediate and late rice, corn, millet, and sorghum) is clouded by unusual weather conditions. Below normal precipitation in a few provincial areas in central and southwestern China may affect intermediate and late rice crops, but not significantly affect the national total. The eastern seaboard had above-normal precipitation during the summer. Favorable weather in this important grain producing area may permit a better crop harvest than last year and possibly offset the decline in production in the inland dry area.

In 1972/73, China is expected to import about 4.3 million tons of wheat largely from Canada, but including a 400,000-ton transaction from the United States and half of a 1-million-ton purchase from Australia. The U.S. wheat shipment to Mainland China is the first in over 23 years. In 1971/72, Mainland China imported 3 million tons of wheat from Canada.

On the export side, China shipped roughly 111,000 tons of corn, buckwheat, and other miscellaneous grains to Japan in 1971/72. Trade data for any part of 1972/73 with Japan are not yet available. On a calendar year basis, China exported 745,000 tons of rice in 1971. 2/

Given average grain production, about normal exports of feed grains, wheat imports of 4.3 million tons, and a net population increase of 10-15 million persons, the availability of grain for consumption during 1972/73 may be slightly less than the past 2 years. If there is a shortfall in production the Chinese could: (a) draw on their improved grain stocks; (b) tighten the grain ration; or (c) import larger quantities of grain. (F.W. Crook, M.R. Larsen, and L. Bernstein Schneider)

INDIA'S Grain Crop Hurt by Weather

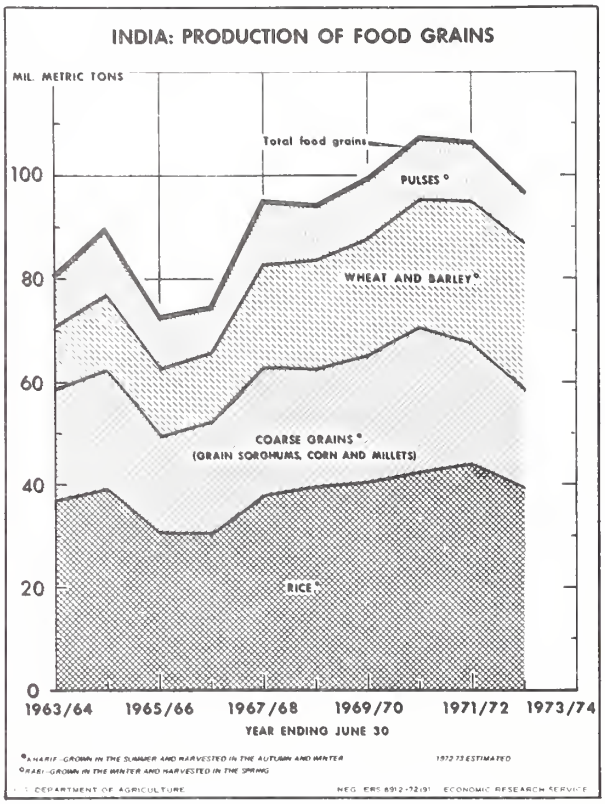
The late arrival of monsoon rains in June and a critical shortage of rain accompanied by unusually hot weather in late July and early August led to substantial crop losses in India. However, favorable rainfall in about three-fourths of the drought-affected areas in the last 3 weeks of August and in mid-September improved

1/ This estimate includes millet and mixed grains but excludes potatoes which the Chinese include in their grain statistics at one-fourth the raw value. An extraction rate of 65 percent is used to reduce China's production of paddy rice to a milled basis.

2/ Does not include shipments to North Vietnam.

conditions. Estimates of loss due to the drought are now less alarming than in early August. India's total food grain output (including pulses) during 1972 is likely to be 7 to 10 percent below the estimated 105 million tons harvested in 1971.

India's wheat production gained 10 percent in 1972. The carryover on July 1, 1972, totaled approximately 5 million tons. Despite the drought India's wheat imports in 1972/73 are still expected to fall below half a million tons. However, depending on crops in the next few months efforts to check the continued rise in food grain prices could include larger imports of wheat and/or coarse grains. India's principal suppliers of wheat in past years have been the United States, Canada, and Australia.



Coarse grain production is expected to decline 4 to 5 million tons in 1972 from last year's crop of 26.4 million tons. Corn, grain sorghum, and millets are used for food by millions of rural Indians. In the past, large quantities of imported grain sorghum have been provided to relieve food shortages in drought-striken areas. India imported a high of 1.9 million tons of grain sorghum from the United States in 1967, but very little in the past 2 years.

Rice production in 1972 is expected to fall to the 37-40 million ton range, down from the 44 million tons of milled rice produced in 1971. India's rice imports in 1972 are likely to be larger than those recorded in 1971 (excluding imports related to relief programs for Bengali refugees). India received 105,000 tons of rice from the United States in 1971 in connection with programs to provide food for Bengali refugees, but no imports of U.S. rice are scheduled in 1972. (John B. Parker)

JAPANESE Grain Situation

Japan depends heavily on imported wheat since its domestically produced soft wheat accounts for less than 10 percent of all wheat consumed. Japan imported 5 million tons of wheat in 1971/72 with the United States supplying 43 percent and Canada and Australia the remainder. Japan took less U.S. wheat last season due to port strikes in both countries. Imports from the United States in 1972/73 should regain the level of nearly 3 million tons of 1970/71.

Japan's feed grain production is small. Imports of corn and grain sorghum in 1971/72 amounted to 9 million tons, of which the U.S. share was 40 percent. The United States supplied only a negligible amount of the 1.3 million tons of barley, oats, and rye imported in 1971/72. Other major suppliers of corn to the Japanese market are South Africa and Thailand; of grain sorghums, Argentina and Australia. Imports of U.S. feed grains will probably increase to over 6.6 million tons in 1972/73 because Japan's stocks are low and because other exporters such as Argentina and Thailand have smaller supplies.

On April 1, 1972, Japan's government-owned surplus rice stocks were 3.3 million tons. Japan had planned to export 360,000 tons per year, use 1.3 million tons per year in mixed feed, and 180,000 tons per year for industrial uses until the surplus was depleted. So far in 1972, Japan has contracted to export 344,000 tons with delivery dates extending into 1973. With reduced rice supplies in other parts of Asia and high prices, Japan may export more than planned. At the U.S.-Japan trade talks in July 1972, Japan indicated it would cut back its use of surplus rice for feed in order to stimulate increased imports of U.S. feed grains. This would extend the disposal period or increase the possibility of larger rice exports. Indications are that rice production will exceed earlier estimates of 10.7 million tons. Domestic utilization would reduce stocks to 1.3 million tons by October 1973 and still permit exports of 360,000 tons plus any excess of production over the 10.7 million ton level. (Bruce Greenshields)

Record EC Grain Output

EC grain production in 1972/73 is estimated at 79.2 million tons, compared to last year's harvest of 76.7 million tons, and well above the 71-million ton average of the past 5 years.

Community production of wheat is expected to be up over a million tons to about 35 million tons. Production of rye, oats, and summer mixed grains declined. However, increases of barley and corn production will boost total EC feed grain production to 44 million tons.

EC grain stocks were estimated at 10.5 million tons as of August 1, 1972 (wheat 6.2 million, coarse grains 4.3 million). This is 1 million tons over August 1971.

Net grain imports are expected to be down about 2 million tons to 1.8 million tons in 1972/73. Net imports of feed grains should increase by nearly 1 million tons to 6.6 million tons, while net exports of wheat will rise by about 3 million tons (to 4.9 million tons). EC grain imports from the United States totaled 6.4 million tons in 1971/72, including 1.3 million tons of wheat. This trade is expected to increase by about 200,000 tons (mostly feed grains) in the current year.

The harvest in France, the only net grain exporter within the Community, is well above last year's record. Most of the increase is in wheat. Smaller crops elsewhere in the Community will stimulate intra-EC trade.

France has sold the USSR 500,000 tons of wheat and a similar amount of barley for delivery in 1972/73. Estimated 1971/72 sales to the USSR were only 480,000 tons of barley. (Donald M. Phillips)

OTHER WESTERN EUROPE Crop Second Largest

Grain production for non-EC West European countries is estimated at 53 million tons in 1972/73, about 2 million tons below the record level of the previous year but still the second largest on record.

Grain stocks in Other Western Europe are estimated to have increased by about 1.3 million tons in the 1971/72 crop year to about 7.8 million tons--3.6 million of feed grains and 4.2 million of wheat. Stocks are still at a relatively moderate level, somewhat below the average of the late 1960's. Stocks are expected to be drawn down by about 500,000 tons in the current year, with nearly all the reduction in feed grain stocks.

Net grain imports by Other Western Europe were about 13.3 million tons in 1971/72, with wheat accounting for 4.6 million tons and coarse grain for 8.7 million tons. Despite the decline in production this year, net grain imports are expected to decrease by about 500,000 tons this year--due largely to the drawing down of stocks and larger grain exports. Grain imports from the United States totaled 3.7 million tons in 1971/72, including nearly 900,000 tons of wheat. These imports may increase by about 500,000 tons in 1972/73, about 300,000 tons in wheat.

Sweden exports most of the grain accounted for by Other Western Europe. Aided by Swedish sales of 500,000 tons of grain to the USSR, grain exports by the group are expected to reach 3.1 million tons in 1972/73, up from 2.1 million in 1971/72. (Donald M. Phillips)

CANADA Wheat Crop About Same

According to estimates released in October, Canada's wheat production will total 14.3 million tons, about the same as last year's 14.4 million tons despite a 10 percent increase in area. Production of barley--Canada's only important export feed grain--will be down to 11.1 million tons from 13.1 million tons in 1971/72. The drop in barley production was the result of a drastic reduction in area and lower yields.

With carryover stocks of both wheat and barley ample at the start of 1972/73, this year's combined exports of wheat and barley should exceed last year's levels.

Under existing commitments, Canada will ship 5 million tons of wheat to the USSR and over 3 million tons of wheat to the People's Republic of China in 1972/73. This will exceed last year's exports to these countries by roughly 2 million tons. Sales to all other countries should be about equal to last year's level of approximately 7 million tons.

Total wheat exports of nearly 16 million tons plus normal domestic use would leave Canada with stocks over 12 million tons at the end of June 1973.

Exports of Canadian barley were unusually large in 1971/72, exceeding 4 million tons. Barley exports in 1972/73 are expected to decline slightly, leaving larger stocks at the end of 1972/73. This assumes wheat exports will receive priority over barley. Traditionally, exports of Canadian barley have gone to Western Europe and Japan, but Eastern Europe and the USSR were important customers in 1971/72. (Omero Sabatini)

AUSTRALIAN Grain Crop Expected Down

Australian wheat production for 1972/73 (harvested December 1972) is estimated at approximately 6.7 million tons, down from 8.6 million tons in 1971/72. Prolonged drought at seeding time is responsible, although improved weather could still increase the crop. The expected output will be far below the government's wheat delivery quota of 11.1 million tons. Acreage is estimated at 7.4 million hectares, an increase of 3 percent from the previous year. Stocks on July 1, 1972 of 5.1 million tons were down from 8.4 million tons in 1971. A further sharp decline in stocks is likely by July 1973.

Due to the reduced crop and already low stocks, exports of 5.8 million tons are expected, down from the 8.4 million tons of 1971/72. Exports of wheat in 1972/73 include the recent sale of 1 million tons each to the Soviet Union and to China (500,000 tons for delivery to China in 1972/73) and 250,000 tons to Chile. Other major markets are Japan, United Kingdom, Malaysia, and the Middle East.

Australian feed grain production in 1971/72 was a record, mainly reflecting sharply increased barley production. Land diverted from wheat was planted to barley or grain sorghum. The outlook for 1972/73 is still uncertain due to the drought. Smaller barley and oat crops are expected, perhaps to as low as 3.5 million tons in total. Barley exports will remain about the same, around 1.84 million tons. Production of oats will again be small (1 million tons) due to smaller acreage and yields. Grain sorghum and corn crops could show a substantial increase due to increased acreage. Japan has purchased most of Australia's feed grain exports in recent years. (Diane B. Ellison)

ARGENTINE Crops Up From Low Levels

With normal weather conditions, increased plantings of wheat are expected to boost 1972/73 production (harvested December 1972) to 7.5 million tons from a low of 5.4 million tons in 1971/72. This should permit a significant recovery in wheat exports from the extremely low levels of the previous 2 years to over 2 million tons for 1972/73.

Feed grain production is expected to recover to about 13.5 million tons in 1972/73 from the drought-year low of 9.4 million tons in 1971/72. A number of factors work against full recovery to the 1970/71 level of 15.4 million tons, such as favorable alternatives due to rising prices of wheat, beef, and sunflower seed. For sorghum and other small grains, used extensively for winter grazing, the expected increase in planted acreage may not be fully reflected in increased production.

Feed grain exports, primarily corn and sorghum, are expected to be about 4 million tons in 1972/73, well below the levels of the last 2 years. (Frank D. Barlow)

Record SOUTH AFRICAN Wheat and Corn Crops

The Republic of South Africa will have record carryover stocks of grain for the 1972/73 season, placing a burden on its storage capacity.

A corn crop of 10 million tons was harvested in May 1972, passing the previous record of 9.6 million in 1967 and last year's crop of 8.6 million tons. Exports of corn, a major portion of which goes to Japan, may exceed 3.4 million tons, well above last year's 2.5 million tons. Exports will be limited by the capacity of railways to ship corn from inland storage to ports. With an exportable surplus of 6.6 million

tons, ending stocks of corn by April 30, 1973, could approach 3.2 million tons, compared with beginning stocks of 1.8 million.

Grain sorghum production is estimated at 653,000 tons, similar to last year. Exports may equal 220,000 tons leaving ending stocks next April at 185,000 tons, over double the 73,000 tons on May 1, 1972.

South Africa has experienced 5 successive record wheat crops. The 1972 crop could exceed the 1971 crop of 1.62 million tons. A more than normal wheat reserve, 0.4 million tons or 5 months milling requirements, was carried over from 1971. The carryover by July 1973, estimated at 0.7 million tons. will be of low quality. Only durum wheat--about 12,000 tons--will be imported this season. (John C. Dunmore)

Other Developments

THAILAND'S 1972 rice crop may be harvested about 2 months late this fall and the crop is expected to be smaller. Rice exports for 1973 are consequently expected to be below 1.3 million tons from the estimated 1.8 million tons of 1972. Rice exports in 1971 and 1970 totaled 1.6 million and 1.1 million tons respectively. Export prices for rice increased by more than 20 percent from May to September 1972.

Thailand's corn harvest in 1971 totaled 2.2 million tons and about 1.8 million tons were exported with Japan and Taiwan as major export markets. The 1972 corn crop has been estimated at 1.3 million tons, with exports at about 1.0 million tons. (John B. Parker)

The BURMESE rice harvest during 1972 is expected to be below the 5.4 million tons harvested in 1971. In addition to the smaller crop, the wide gap between high open-market prices and low government procurement prices has created difficulty for Burma's rice exports. The government is the only legal exporter of rice from Burma. Rice exports in 1972 are expected to approximate 430,000 tons compared with 811,000 tons in 1971. A further decline is likely in 1973. (John B. Parker)

The PHILIPPINES experienced heavy flooding in the central Luzon area which reduced the expected rice crop and destroyed 75,000 tons of rice in storage. Production of milled rice in 1972 is now estimated at 3.4 million tons, only slightly above the disease-affected crop of 1971/72 and 2 percent below the record 1970/71 crop. With population growing about 3.2 percent annually, an acute rice shortage has developed.

Authorized 1972 rice imports total 800,000 tons. Thailand has already delivered 300,000 tons. The United States and Japan have contracted to supply 100,000 tons each on a long-term credit basis to be delivered by the end of 1972. In addition, the United States is sending 25,000 tons under P.L. 480, Title II, and Japan will provide 10,000 tons on a grant basis. About 165,000 tons of rice will arrive after January 1, 1973, from nearby Asian countries, probably Thailand, Burma, and Taiwan.

Philippine wheat imports in 1972/73 should reach 720,000 tons, 30,000 above the 1971/72 level. The U.S. share should be about 80 percent with Canada and Australia supplying the remainder.

The 1972/73 Philippine corn crop is forecast up 5 percent to 2.15 million tons. This is still below consumption requirements, and imports of 150,000 tons are expected. In 1971/72, corn imports totaled 187,000 tons, with 157,000 tons coming from the United States and the remainder from Thailand. The United States could be the sole supplier in 1972/73. (E. Wayne Denney)

The 1972 INDONESIAN rice crop is estimated at 13.0 million tons, about 2 percent above the 1971 crop. However, rice is reported to be in extremely short supply in the open market. The main season crop, harvested from April to June, was up although it was below previous expectations. Indonesia recently decided to abandon its long quest for rice self-sufficiency by 1973/74. Recent reductions in the availability from the United States are causing Indonesia to intensify its search for other rice supplies. Although expected rice imports of 645,000 tons are 135,000 tons above the 1971 level, they are less than the 954,000 tons imported in 1970. Most of the 1972 imports will come from Japan and the United States.

During 1972/73, apart from possible imports of flour under grant programs, Indonesia will import only wheat for local processing. Wheat imports are expected to exceed 670,000 tons, with around 500,000 tons coming from the United States and the remainder from Canada and Australia. In 1971/72, wheat and flour (in wheat equivalent) imports totaled 687,000 tons.

Corn production is expected to advance to 2.9 million tons in 1972 after receding last year to its lowest level in the past decade. Despite the low output in 1971, exports climbed for the third consecutive year to 400,000 tons, nearly double the 1970 level. (E. Wayne Denney)

Wartime conditions in the KHMER REPUBLIC (Cambodia) have caused a critical shortage of food especially in urban areas. Once an important exporter of rice and corn, the country has now become an importer of rice and wheat flour. Rice production probably declined from 2.5 million tons in 1969/70 to less than 1.5 million tons in 1972/73. The Khmer Republic has switched from being a rice exporter (473,000 tons in 1965) to a rice importer. Rice imports began at about 20,000 tons in 1971, and during 1972 they will be about quadruple that quantity. Even larger rice imports are expected in 1973. Thailand, Japan, and the United States are the major rice suppliers this year. (John B. Parker)

Rice production of SOUTH VIETNAM in 1972 is expected to be down slightly from the 3.8 million tons of 1971. Earlier gains in rice production and greater use of wheat flour in cities enabled South Vietnam to reduce rice imports from a peak of 765,000 tons in 1967 to less than 160,000 tons in 1971. However, rice imports will double in 1972 and increase again in 1973. The United States supplies most of South Vietnam's rice imports.

The United States exported 274,000 tons of wheat and flour to South Vietnam in 1971/72, and U.S. shipments in 1972/73 are likely to be up. Some additional wheat may come from Canada and Australia. South Vietnam will import over 120,000 tons of U.S. corn in 1972/73, compared with 90,000 tons in 1971/72. Most of the imported corn is used to feed pigs raised by large commercial operations which supply urban markets. (John B. Parker)

Total wheat imports of SOUTH KOREA may be about the same or slightly higher than the 1.85 million tons of 1971/72. Imports of wheat from the United States under P.L. 480 and CCC credits will be supplemented by larger cash purchases. The United States supplied the wheat imported in 1971/72, except for 360,000 tons from Australia.

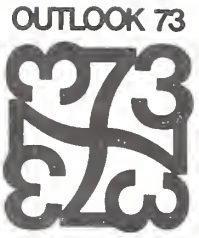
South Korea's rice imports in 1971 reached a record 1 million tons making it the world's largest rice importer. Production of rice in 1972 may be below the 4 million tons recorded in 1971. Imports in 1972 are expected to exceed 750,000 tons, over 95 percent from the United States. No rice came from Japan in 1972, compared with over 500,000 tons in 1971. Only a shortage in supplying countries would cause rice imports to decline in 1973.

Korea's imports of barley zoomed to 388,000 tons in 1971/72, and further gains could occur in 1972/73. Korea's laws require restaurants to mix barley with rice. Corn imports, partly for new pig and cattle feeding enterprises increased from 352,000 tons in 1970/71 to 529,000 tons in 1971/72, all of it from the United States. Imports in 1972/73 may be higher. (John B. Parker)

BANGLADESH has a food shortage which is likely to remain critical until harvest of the large winter rice crop begins in November. Total grain imports by Bangladesh in 1972/73 are expected to increase from the average of 1.6 million tons during the 3 previous seasons. Because of the critical pre-harvest shortage of rice, larger imports are needed to provide food for millions of people dislocated because of military activities in 1971. A larger percentage of the population now depends on urban markets for rice than 2 years ago when subsistence agriculture provided about 90 percent of the rice needs. Bangladesh is expected to produce about 9.9 million tons of rice in 1972 compared with about 10.1 million tons in 1971 and 12.1 million tons in 1969. Rice imports in 1972 are expected to approximate 0.7 million tons compared with 0.6 million tons in 1971 and 0.2 million tons in 1968. Two major suppliers of rice imports in the past--West Pakistan and the People's Republic of China--no longer send rice to Bangladesh. Wheat imports are expected to increase from last year's 1.3 million tons. (John B. Parker)

Grain prices in PAKISTAN on the open market increased sharply in the last 12 months because of poor crops, revaluation of the rupee, and rising urban demand. Wheat production is down 3 percent from last year's 6.6 million tons. Government programs to procure wheat have run into difficulty because of high open market prices, and larger imports are needed to supply fair-price shops. Pakistan's wheat imports are expected to increase somewhat from the 1971/72 level of 1.0 million tons. Rice production in 1972 should be close to the 2.2 million tons produced in 1971. Rice exports in 1972 of 300,000 tons are expected, compared with 200,000 tons in 1971 (excluding shipments of 267,000 tons to Bangladesh). (Amjad H. Gill)

For the third consecutive year, MEXICAN wheat production is down. The crop is estimated at 1.8 million tons compared with 1.9 million in 1971. Wheat imports are estimated at 550,000 tons in 1972/73, all from the United States. The 1972 corn crop may be down. Corn exports are expected to be down from last year's 600,000 tons. Heavy rains in the main sorghum production area of Matamoros have reduced the 1972 sorghum to an estimated 1.95 million tons. Imports for 1972/73 are estimated to be 300,000 tons compared with 65,000 tons in 1971/72. Sorghum is one of the main ingredients in Mexico's expanding feed industry. (John E. Link)



OUTLOOK CONFERENCE SCHEDULED FOR FEB. 20-22, 1973

The 1973 National Agricultural Outlook Conference has been set for Feb. 20 through 22, at the U.S. Department of Agriculture in Washington, D.C.

Central theme of the Conference will be "The Future Structure of Agricultural Production and Marketing." Such topics as the long-range expansion of demand for agricultural products, input requirements of the food industry, significant trends in organization and control of the food and fiber sector of the economy, impact of environmental developments on agricultural production and marketing, and future developments in the export market will be explored in depth.

The 1973 outlook for U.S. agriculture and the general economy will receive particular attention at the Conference. Sessions on the 1973 outlook for major commodities and rural family living will make up an important part of the Conference as usual. The Conference, sponsored by USDA's Economic Research Service and Extension Service, will feature presentations and panel discussions by leading authorities in agriculture and business.

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